

Message Text

CONFIDENTIAL

PAGE 01 IAEA V 01878 01 OF 04 101353Z

42

ACTION ACDA-10

INFO OCT-01 AF-06 ARA-06 EA-07 EUR-12 NEA-10 IO-11 ISO-00

CIAE-00 INR-07 L-03 NSAE-00 NSC-05 EB-07 NRC-05

OES-03 FEAE-00 DODE-00 PM-04 H-02 PA-01 PRS-01 SP-02

SS-15 USIA-06 OIC-02 /126 W

----- 071174

R 100914Z MAR 76

FM USMISSION IAEA VIENNA

TO SECSTATE WASHDC 7209

INFO AMEMBASSY BONN

AMEMBASSY BRASILIA

USMISSION EC BRUSSELS

AMEMBASSY LONDON

AMEMBASSY MOSCOW

AMEMBASSY OTTAWA

AMEMBASSY PARIS

AMEMBASSY TOKYO

USERDA GERMANTOWN

C O N F I D E N T I A L SECTION 1 OF 4 IAEA VIENNA 1878

DEPT PASS IO/SCT, OES AND ACDA

TOKYO FOR SCICOUNS

E.O. 11652: GDS

TAGS: IAEA, TECH, PARM, GW, BR

SUBJECT: FRG/BRAZIL/IAEA SAFEGUARDS AGREEMENT

REF: (A) IAEA VIENNA 1483, (B) IAEA VIENNA 1372, (C) STATE
42833, (D) STATE 41782

SUMMARY: THIS MESSAGE DETAILS CONSIDERATION OF THE
SUBJECT AGREEMENT LEADING UP TO ITS APPROVAL BY BOARD
OF GOVERNORS BY CONSENSUS AT MEETING FEBRUARY 24.

IT IS DIVIDED INTO SECTIONS COVERING: (A) PRE-BOARD

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 IAEA V 01878 01 OF 04 101353Z

CONSULTATIONS; (B) MEETING OF DELS OF LONDON

SUPPLIERS GROUP MORNING FEBRUARY 24; AND (C) BOARD
OF GOVERNORS CONSIDERATION OF AGREEMENT. END SUMMARY.
ACTION REQUESTED: NONE.

SECTION A: HIGHLIGHTS OF PRE-BOARD CONSULTATIONS RE
SUBJECT SAFEGUARDS AGREEMENT (SOME EVENTS REPORTED
PREVIOUSLY) FOLLOW:

1. PRIOR TO ARRIVAL OF AMBASSADOR TAPE FEBRUARY 13,
MISSION CALLED FRG MISSION, AMONG OTHERS, TO SCHEDULE
CONSULTATIONS. FRG MISSION REQUESTED CONSULTATION BE
DELAYED UNTIL FEBRUARY 23, WHEN LOOSCH, FRG GOVERNOR,
WOULD ARRIVE VIENNA.

2. DIRECTOR GENERAL EKLUND ON FEBRUARY 16, INFORMED
US THAT FRANCE AS WELL AS USSR HAD PROBLEMS WITH
AGREEMENT TEXT.

3. USSR AMBASSADOR EROFEEV IN COURSE TWO-HOUR CONSULTATION
LATER SAME DAY, REVIEWED USSR PROBLEMS WITH
TEXT AT LENGTH, WITHOUT, HOWEVER, EVEN MENTIONING
BERLIN ISSUE.

4. AMBASSADOR BEESLEY, CANADIAN GOVERNOR, INFORMED
US DURING CONSULTATION FEBRUARY 19 THAT HE HAD RE-
CEIVED INSTRUCTIONS TO SEEK POSTPONMENT OF
CONSIDERATION OF AGREEMENT TO NEXT BOARD MEETING TO
PERMIT REVISION OF PROVISIONS CONCERNING (1) NOTIFI-
CATION IN CONNECTION WITH FACILITIES BUILT USING
TRANSFERRED TECHNOLOGY AND (2) BEGINNING OF 20-YEAR
PERIOD DURING WHICH CONCLUSIVE PRESUMPTION WOULD
APPLY. CANADA HAD OTHER PROBLEMS WITH AGREEMENT,
SOME OF WHICH RELATED TO SUPPLIERS GUIDELINES.

5. DURING AFTERNOON FEBRUARY 19, FRG MISSION REQUESTED
APPOINTMENT FOR NEWLY-ARRIVED FRG RESREP
HOFFMANN WITH AMBASSADOR TAPE FOLLOWING MORNING.

6. AMBASSADOR BEESLEY PROVIDED US EARLY FOLLOWING
MORNING WITH COPY OF AIDE MEMOIRE HE WOULD BE
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 IAEA V 01878 01 OF 04 101353Z

DELIVERING TO HOFFMAN IN MID-MORNING. FOUR-PAGE
AIDE MEMOIRE BEGAN WITH POSITION THAT AGREEMENT
SHOULD BE RECONSIDERED BY PARTIES AND SUBMITTED TO
NEXT BOARD MEETING AND PROCEEDED TO DETAIL CANADIAN
PROBLEMS WITH TEXT, ELABORATING POINTS BEESLEY HAD
MENTIONED TO US. AFTER MEETING WITH FRG DEL,
BEESLEY CONFIRMED TO US BY PHONE THAT AIDE MEMOIRE
HAD BEEN DELIVERED AND THAT FRG DEL HAD RESPONDED

WITH SOME EXPLANATIONS.

7. HOFFMANN, FREYTAG AND VON WAGNER (WHO SAID HE HAD BEEN SENT TO VIENNA FOR TWO DAYS FROM LONDON WHERE HE WAS ENGAGED IN CONFERENCE) CALLED ON MISSION IMMEDIATELY FOLLOWING THEIR MEETING WITH BEESLEY. THEY REFERRED TO USSR AS ONLY SOURCE OF DIFFICULTIES WITH TEXT, ATTRIBUTING VARIOUS MOTIVES TO USSR, INCLUDING DELAY FOR SAKE OF SETTING PRECEDENT THAT FRG EXPORTS WERE SUBJECT TO USSR VETO. THEIR INSTRUCTIONS WERE TO RESIST CHANGES IN TEXT OR POSTPONEMENT OF CONSIDERATION, EVEN BY WEEK OR TWO, AS USSR HAD SUGGESTED TO US. WHEN ASKED ABOUT CANADA, THEY ADMITTED THAT SOME QUESTIONS HAD BEEN RAISED (NO MENTION WAS MADE OF AIDE MEMOIRE) BUT THAT POINTS ADDRESSED COULD BE TAKEN CARE OF WITHOUT, HOWEVER, CHANGING AGREEMENT TEXT, EXCEPT PERHAPS FOR PROVISION DEALING WITH START OF 20-YEAR CONCLUSIVE PRESUMPTION PERIOD WHICH FRENCH HAD ASKED BE CONSIDERED. PRIMARY CONCERN RE FRENCH SUGGESTION WAS THAT DOOR WOULD BE OPENED FOR CHANGES ELSEWHERE IN TEXT AND NO OTHER COULD BE CONSIDERED BY FRG. WHEN ASKED WHETHER FRG DEL HAD CONSULTED USSR DEL RE LATTER'S PROBLEMS AND HOW THEY MIGHT BE RESOLVED, HOFFMANN REPLIED THAT HIS INSTRUCTIONS WERE TO REFRAIN FROM INITIATING CONTACT WITH USSR DEL. WE URGED FRG TO IDENTIFY ALL PROBLEMS OTHER DELS HAD AND TO FIND WAYS, PERHAPS BY EXPLANATORY STATEMENT AT BOARD MEETING, TO PROVIDE ANSWERS. FLEXIBILITY WOULD BE NECESSARY ON THEIR PART, IF THEY HOPED TO GAIN BOARD APPROVAL AT THIS SESSION. FRG DEL INDICATED SOME FLEXIBILITY MIGHT BE POSSIBLE AT BOARD MEETING, BUT EMPHASIZED IMPOSSIBILITY OF POSTPONEMENT, CITING CONFIDENTIAL

CONFIDENTIAL

PAGE 04 IAEA V 01878 01 OF 04 101353Z

FACT THAT EXPORT LICENSE APPLICATIONS WERE PILING UP, CAUSING CONCERN BY INDUSTRY, AND BRAZIL WAS IMPATIENT TO START. MOST INTRIGUING ARGUMENT WAS FRG CONCERN THAT POLAND WOULD HAVE TO SUPPORT USSR CALL FOR DELAY, WHICH ACTION WOULD JEOPARDIZE BUNDESTAG APPROVAL OF FRG-POLAND TRADE TREATY, ALREADY UNDER FIRE FROM OPPOSITION.

8. LATER THAT DAY, AFTER AMBASSADOR EROFEEV, AT OUR URGING,

CONFIDENTIAL

NNN

CONFIDENTIAL

PAGE 01 IAEA V 01878 02 OF 04 101121Z

21

ACTION ACDA-10

INFO OCT-01 AF-06 ARA-06 EA-07 EUR-12 NEA-10 IO-11 ISO-00

CIAE-00 INR-07 L-03 NSAE-00 NSC-05 EB-07 NRC-05

OES-03 FEAE-00 DODE-00 PM-04 H-02 PA-01 PRS-01 SP-02

SS-15 USIA-06 OIC-02 /126 W

----- 069470

R 100914Z MAR 76

FM USMISSION IAEA VIENNA

TO SECSTATE WASHDC 7210

INFO AMEMBASSY BONN

AMEMBASSY BRASILIA

USMISSION EC BRUSSELS

AMEMBASSY LONDON

AMEMBASSY MOSCOW

AMEMBASSY OTTAWA

AMEMBASSY PARIS

AMEMBASSY TOKYO

USERDA GERMANTOWN

C O N F I D E N T I A L SECTION 2 OF 4 IAEA VIENNA 1878

INITIATED DISCUSSION AT EKLUND LUNCH WITH HOFFMANN,
LATTER CALLED AND INFORMED US THAT HE HAD AGREED THAT
MEMBER FRG DEL WOULD DISCUSS AGREEMENT WITH MEMBER USSR DEL.

9. FOLLOWING AFTERNOON (SATURDAY), BRAZILIAN AMBASSADOR
DE MESQUITA CALLED MISOFF, REQUESTING MEETING
SUNDAY MORNING WITH AMBASSADOR TAPE FOR MESSRS CABRAL DE
MELO (CHIEF OF ECON SECTION, FONMIN), NOGUIERA BATTISTA (HEAD
OF NUCLEBRAS) AND PORENZA (NATIONAL SECURITY COUNCIL ARRIVING
THAT EVENING. ACCORDINGLY, AMBASSADOR TAPE, LABOWITZ AND I
MET WITH AMBASSADOR DE MESQUITA AND VISITORS FOR TWO HOURS
SUNDAY MORNING. DE MELO OPENED DISCUSSION BY INFORMING US
THAT HE HAD COME FROM BRASILIA, BY WAY OF BONN, AND HE UNDER-
STOOD THAT U.S. DEL WAS PREAPRED TO ASSIST IN GAINING BOARD
APPROVAL THIS SESSION, WITH NO CHANGES IN TEXT. AMBASSADOR
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 IAEA V 01878 02 OF 04 101121Z

TAPE REFERRED TO INSTRUCTIONS RECEIVED ONLY PREVIOUS DAY, CALLING FOR U.S. DEL TO JOIN IN CONSENSUS FOR APPROVAL, INDICATING THAT SUCH CONSENSUS WAS NOT YET IN SIGHT IN VIEW OF PROBLEMS OTHER DELS HAD IDENTIFIED IN COURSE OF OUR CONSULTATIONS. CABRAL DE MELO AND ESPECIALLY NAGUIERA BATTISTA REACTED SHARPLY TO THOSE COMMENTS, EXPRESSING DISAPPOINTMENT AT EVIDENT LACK OF U.S. DEL SUPPORT WHICH SECRETARY KISSINGER HAD ASSURED PRESIDENT OF BRAZIL WOULD BE CASE. U.S. DEL'S ATTITUDE COULD WELL AFFECT U.S.-BRAZIL RELATIONSHIP IN OTHER MATTERS, ETC. AMBASSADOR TAPE PATIENTLY EXPLAINED THAT U.S. DEL WAS TRYING TO HELP BRAZIL, BUT THAT IT WAS UP TO BRAZIL AND FRG, IN FIRST INSTANCE, TO BE PREPARED FURTHER THEIR OWN CAUSE BY GIVING THOUGHT TO WHAT MIGHT BE DONE IN WAY OF EXPLANATIONS AND, IF NECESSARY, TEXTUAL CHANGES TO RESOLVE PROBLEMS DELS, OTHER THAN U.S., HAD WITH AGREEMENT. COMMENT: ATTITUDE OF BRAZILIANS REVEALED TOTAL UNFAMILIARITY OF WAY BUSINESS OF BOARD OF GOVERNORS EFFECTIVELY CONDUCTED. VISITORS HAD NEVER ATTENDED BOARD MEETING; AMBASSADOR DE MESQUITA HAS ONLY BEEN IN VIENNA SIX MONTHS AND HAS LIMITED EXPOSURE TO FUNCTIONING OF BOARD. IT IS NOTEWORTHY THAT BRAZILIAN GOVERNOR, PROF. DE CARVALHO, WHO HAS ATTENDED NUMEROUS BOARD MEETINGS AND PRESUMABLY UNDERSTANDS THEIR DYNAMICS PERFECTLY WELL ARRIVED ONLY MONDAY EVENING. END COMMENT.

10. DURING CONSULTATIONS FEBRUARY 23 MORNING WITH PROF. MOROKHOV, BELOV, AMB. EROFEEV, AND OTHER USSR MISSION STAFF, MOROKHOV REITERATED THAT FRG-BRAZIL AGREEMENT WAS UNACCEPTABLE, BECAUSE OF DEVIATIONS FROM LONDON SUPPLIERS GUIDELINES AND THAT ONE OR TWO WEEKS WOULD BE REQUIRED TO MAKE NECESSARY "CORRECTIONS." AFTER SOME DISCUSSION, AMB. TAPE ASKED WHAT IT WOULD TAKE FOR USSR TO PERMIT IMMEDIATE APPROVAL. MOROKHOV STATED MINIMUM REQUIREMENTS TO BE: A) REFERENCE IN AGREEMENT PREAMBLE TO SAFEGUARDS ON EQUIPMENT, AS WELL AS MATERIAL; B) TWENTY-YEAR PERIOD FOR CONCLUSIVE PRESUMPTION TO BEGIN AT TIME OF INITIAL OPERATION OF RELEVANT FACILITY, AND C) STATEMENT, NOT NECESSARILY IN AGREEMENT, THAT TWO GOVERNMENTS UNDERTAKE TO IMPLEMENT PHYSICAL PROTECTION MEASURES.

11. DURING AFTERNOON FEBRUARY 23 U.S. DEL MET WITH FRG
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 IAEA V 01878 02 OF 04 101121Z

DEL, HEADED BY GOVERNOR LOOSCH (JUST ARRIVED FROM BONN) WHO STARTED OUT (CONTRARY TO INDICATIONS GIVEN BY FRG DEL BEFORE WEEKEND) BY STATING FLATLY THAT NO CHANGE IN TEXT WOULD BE CONSIDERED AND REITERATED DETERMINATION TO AVOID POSTPONEMENT. (THIS HARDENING OF FRG POSITION MAY HAVE RESULTED EITHER FROM FRG-BRAZIL CONSULTATIONS DURING PREVIOUS EVENING OR RESULTS OF BONN'S CONSIDERATION OF EARLIER PROPOSAL

BY FRG DEL TO MAKE CHANGE IN RESPONSE FRENCH SUGGESTIONS.) LOOSCH PROCEEDED, HOWEVER, TO STATE FAIRLY WELL-REASONED RESPONSES TO EACH OF PROBLEMS RAISED BY USSR, CANADA AND OTHERS. (MEMBERS OF FRG AND USSR MISSION STAFFS HAD APPARENTLY MET.) WE SUGGESTED THAT IT WOULD BE USEFUL FOR FRG DEL TO PREPARE STATEMENT FOR PRESENTATION AT BOARD AND TO WORK OUT WITH BRAZILIANS WHO SHOULD ADDRESS SPECIFIC POINTS. LOOSCH WAS OPTIMISTIC.

12. DURING EVENING FEBRUARY 23, CANADIAN AMBASSADOR BEESLEY CALLED MISOFF (FROM FRG DINNER PARTY) URGING THAT ALL LONDON SUPPLIER GROUP DELS MEET FOLLOWING MORNING, IN ORDER THAT EACH COULD HEAR OTHER'S POSITION, DIRECTLY, RATHER THAN THROUGH FRG DEL. IT WAS BEESLEY'S IMPRESSION THAT EACH DEL RAISING QUESTIONS WAS BEING TOLD THAT IT (ASIDE FROM USSR) WAS ONLY ONE DOING SO. FIVE DELS HAD ALREADY AGREED (FRG RELUCTANTLY) TO MEETING IF U.S. AND USSR WOULD JOIN. IT WAS AGREED THAT U.S. WOULD HOST MEETING AND INFORM USSR.

SECTION B: MEETING OF LONDON SUPPLIERS GROUP DELEGATIONS

1. AT MEETING MORNING FEBRUARY 24, LOOSCH EXPLAINED SITUATION AS FOLLOWS:

A. TRILATERAL SAFEGUARDS AGREEMENT WAS BASED ON BILATERAL FRG/BRAZIL AGREEMENT SIGNED IN JUNE. AT THAT TIME LONDON GUIDELINES COULD NOT HAVE BEEN PRECISELY PREDICTED.

B. NEVERTHELESS, FRG BELIEVED THAT TRILATERAL WAS FULLY CONSISTENT WITH LONDON GUIDELINES IN EVERY WAY, EXCEPT FOR START OF 20 YEAR PERIOD. (HE NOTED THAT, IN OTHER WAYS, E.G., SAFEGUARDS COVERAGE OF ALL TECHNOLOGY, NOT JUST SENSITIVE TECHNOLOGY, IT GOES BEYOND GUIDELINES.)

CONFIDENTIAL

CONFIDENTIAL

PAGE 04 IAEA V 01878 02 OF 04 101121Z

C. TRILATERAL WAS NOT APPROPRIATE VEHICLE FOR PURSUING ALL POINTS OF GUIDELINES. FOR EXAMPLE, PHYSICAL SECURITY UNDERTAKINGS ARE INCLUDED IN BILATERAL AGREEMENT. ALSO, SENSITIVE TECHNOLOGIES (ENRICHMENT AND REPROCESSING) WILL BE PURSUED BY JOINT VENTURES. THIS WILL PERMIT FRG TO APPLY 20 PERCENT LIMITATION ON ENRICHMENT LEVEL.

D. AS STATEMENT OF FRG POLICY, LOOSCH ASSURED OTHERS THAT 1) FRG DOES ACCEPT GUIDELINES, AND 2) SUBJECT AGREEMENT WILL BE APPLIED AND ADAPTED, TO EXTENT LEGALLY POSSIBLE, IN CONFORMITY WITH GUIDELINES AND WITH ANY SUBSEQUENT SAFEGUARDS IMPROVEMENT. IN THIS CONNECTION, BILATERAL REFERS TO TRANSFER BEING SUBJECT TO EXPORT LICENSING REGULATIONS OF SUPPLYING GOVERNMENT. HE ALSO GAVE CATEGORIC ASSURANCE THAT

ANY FUTURE AGREEMENT RE FRG EXPORTS WOULD CONFORM STRICTLY TO GUIDELINES.

2. MOROKHOV (USSR), AT BEGINNING OF MEETING, MADE TOUGH STATEMENT THAT EVEN AFTER LISTENING TO FRG EXPLANATION, HE HAD COME TO CLEAR CONCLUSION THAT TRILATERAL WAS NOT SATISFACTORY REALIZATION OF LONDON GUIDDLINES. HE SAW DEFICIENCIES IN LACK OF MENTION OF EQUIPMENT AND FACILITIES IN PREAMBLE, IN START OF 20 YEAR PERIOD, IN PHYSICAL PROTECTION

CONFIDENTIAL

NNN

CONFIDENTIAL

PAGE 01 IAEA V 01878 03 OF 04 101308Z

42

ACTION ACDA-10

INFO OCT-01 AF-06 ARA-06 EA-07 EUR-12 NEA-10 IO-11 ISO-00

CIAE-00 INR-07 L-03 NSAE-00 NSC-05 EB-07 NRC-05

OES-03 FEAE-00 DODE-00 PM-04 H-02 PA-01 PRS-01 SP-02

SS-15 USIA-06 OIC-02 /126 W

----- 070632

R 100914Z MAR 76

FM USMISSION IAEA VIENNA

TO SECSTATE WASHDC 7211

INFO AMEMBASSY BONN

AMEMBASSY BRASILIA

USMISSION EC BRUSSELS

AMEMBASSY LONDON

AMEMBASSY MOSCOW

AMEMBASSY OTTAWA

AMEMBASSY PARIS

AMEMBASSY TOKYO

USERDA GERMANTOWN

C O N F I D E N T I A L SECTION 3 OF 4 IAEA VIENNA 1878

PROVISION, IN RETRANSFER PROVISION. HE STATED THAT CONSULTATION PROVISION IN LONDON GUIDELINES HAD NOT BEEN OBSERVED. MOROKHOV SAID TEXTUAL CHANGES WERE REQUIRED, THAT BG RECORD WAS NOT ADEQUATE WAY TO CLARIFY THESE MATTERS, AND THAT USSR WAS READY TO RETURN TO THE QUESTION IN A "WEEK OR TWO."

3. THOMSON (UK), DENAZELLE (FRANCE) AND BEESLEY (CANADA) COMMENTED ON IMPORTANCE OF CLARIFYING VARIOUS PROVISIONS AND FRG POLICIES. THESE RELATED, INTER ALIA, TO DEFINITION OF TECHNOLOGY, TO COVERAGE OF HEAVY WATER PRODUCTION TECHNOLOGY AND TO NOTIFICATION OF CONSTRUCTED FACILITIES. DURING LENGTHY DISCUSSION IT BECAME CLEAR THAT EACH OF UK, FRANCE AND CANADA WANTED CERTAIN CLARIFICATIONS. KATORI (JAPAN), IN ONLY INTERVENTION, SAID IT WOULD BE DESIRABLE TO AVOID DELAY OR ACrimonious BG DEBATE ON THIS ITEM WHICH WOULD DRAW CONFIDENTIAL

CONFIDENTIAL

PAGE 02 IAEA V 01878 03 OF 04 101308Z

ATTENTION TO SUPPLIERS' DIFFERENCES AND WOULD BE EMBARRASSING TO GOJ WITH NPT UNDER PARLIAMENTARY CONSIDERATION. JAPAN FAVORED APPROVAL, WITH CLARIFICATIONS IN BOARD STATEMENTS.

4. U.S. REPS (TAPE, STONE, BENGELSDORF) SAID U.S. FAVORED APPROVAL, THAT ALTHOUGH TEXT NOT IDEAL, FRG HAD MADE "BEST EFFORT," AND THAT PROPOSED FRG CLARIFYING STATEMENTS OF POLICY WERE HELPFUL. SOME SUCH STATEMENTS COULD BE MADE AT BOARD; OTHERS WOULD BE MORE APPROPRIATELY INCLUDED IN PRIVATE COMMUNICATIONS TO OTHER SUPPLIERS.

5. CONSENSUS (FINALLY INCLUDING MOROKHOV) WAS REACHED, DUE LARGELY TO EFFORTS BY BENGELSDORF, THAT AGREEMENT SHOULD BE APPROVED BY BG, WITH CLARIFICATIONS TO BE MADE IN STATEMENTS BY DIRECTOR GENERAL EKLUND, FRG AND BRAZIL, AND THAT FRG WOULD COMMUNICATE TO OTHER SIX GOVERNMENTS CERTAIN OF FOREGOING CLARIFICATIONS AND POLICY STATEMENTS IN FORM OF "AGREE SUMMARY" OF THIS DISCUSSION. SUCH SUMMARY WOULD NOT BE NEGOTIATED WORD-BY-WORD AND NO RESTATEMENT OF GENERAL ADHERENCE TO GUIDELINES WAS NECESSARY TO BE INCLUDED.

SECTION C: BOARD OF GOVERNORS MEETING

1. AT BOARD MEETING FEBRUARY 24, DIRECTOR GENERAL EKLUND OPENED DISCUSSION SUBJECT AGREEMENT. HIS STATEMENT NOTED PROVISIONS RE TRANSFERRED TECHNOLOGY WHICH TOOK ACCOUNT OF PRINCIPLE, ENDORSE PREVIOUSLY BY BOARD IN APPROVING FRANCE-ROK TRILATERAL IN SEPTEMBER 1975, THAT, IF RECIPIENT COUNTRY NOT PARTY TO NPT, SUPPLIER COUNTRY SHOULD ACCEPT REASONABLE DEGREE OF RESPONSIBILITY FOR ENSURING AGENCY WAS NOTIFIED OF PLANT OR OTHER ITEMS DERIVING FROM INFORMATION TRANSFERRED, SO THAT SAFEGUARDS COULD BE EFFECTIVELY APPLIED TO SUCH PLANT, ETC. HE EMPHASIZED THAT PROVISION OF LIMITED PERIOD FOR CONCLUSIVE PRESUMPTION WAS ADDITIONAL TO BASIC OBLIGATIONS OF GOVERNMENTS CONCERNED THAT ALL ITEMS DERIVED FROM TRANSFERRED TECHNOLOGY MUST BE SUBJECT TO TERMS OF AGREEMENT, WITHOUT TIME LIMIT. OBLIGATION OF RECIPIENT TO NOTIFY AGENCY PROMPTLY OF ANY SUCH ITEM ALSO WAS WITHOUT TIME LIMIT AND CONTINUES AS LONG AS AGREEMENT IN FORCE, AS IS CASE

OF OBLIGATION OF SUPPLYING GOVERNMENT TO TAKE STEPS TO
NOTIFY AGENCY IF IT CONSIDERS THAT TECHNOLOGY IT TRANSFERRED
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 IAEA V 01878 03 OF 04 101308Z

WAS BEING USED IN RECIPIENT COUNTRY. AGREEMENT ALSO PROVIDED
FOR APPLICATION OF SAFEGUARDS IN THIRD COUNTRIES IN RE-
LATION TO RE-EXPORT OF TECHNOLOGY.

2. BRAZIL (DE CARVALHO) THEN MADE STATEMENT, NOTING
IMPORTANCE ATTACHED TO AGREEMENT IN LIGHT OF LAUNCHING OF
SUBSTANTIAL NUCLEAR POWER PROGRAM, WITH FIRST STAGE COM-
PRISING TEN THOUSAND MEGAWATTS OF LIGHT WATER REACTORS,
WITH FIRST STATIONS OPERATING IN EARLY 1980'S. BRAZIL SHOULD MAKE
EFFORTS IN ALL STAGES OF FUEL CYCLE CORRESPONDING TO EN-
VISAGED REACTOR CAPACITY. FOR WELL-KNOWN REASONS, BRAZIL
WAS NOT PARTY TO NPT BUT STRONGLY CONDEMNED NUCLEAR WEAPONS
AND THEIR PROLIFERATION. BRAZIL HAD RATIFIED TREATY OF
TLATELOLCO, WHICH NOT ONLY BANNED PRODUCTION OF NUCLEAR
WEAPONS BUT ALSO THEIR POSSESSION AND PRESENCE. DURING
CONSULTATIONS ON FRG-BRAZIL-IAEA AGREEMENT, CERTAIN DELS HAD
INDICATED THAT VARIOUS POINTS CALLED FOR CLARIFICATION. MAIN
CHARACTERISTIC OF TRILATERAL AGREEMENT WAS RECIPROCITY, AS
CONSEQUENCE OF FRG-BRAZIL BILATERAL AGREEMENT FOR COOPERATION.
TEXT OF TRILATERAL BASED UPON INFCIRC/66 REV. 2 AND LATEST
DEVELOPMENTS, INCLUDING GOV/1621 AND AGREEMENTS RECENTLY
APPROVED BY BOARD. ACCORDINGLY, DURATION OF TRILATERAL
WAS RELATED TO PERIOD OF ACTUAL USE OF ITEM TRANSFERRED
AND CORRESPONDING OBLIGATION TO NOTIFY AGENCY WOULD REMAIN
IN FORCE FOR DURATION OF AGREEMENT. TRANSFER OF TECHNOLOGI-
CAL INFORMATION, WHETHER DIRECTLY OR INDIRECTLY, IS COVERED.
DURING TWENTY-YEAR PERIOD AFTER FIRST TRANSFER OF TECHNOLOGI-
CAL INFORMATION, IT WOULD BE ASSUMED THAT RECIPIENT STATE
HAD MADE USE OF THAT INFORMATION IF IT DESIGNED, CONSTRUCTED
OR OPERATED ANY INSTALLATION OR EQUIPMENT BASED ON SAME OR
ESSENTIALLY SAME CHEMICAL OR PHYSICAL PROCESSES AS THOSE
TRANSFERRED. THAT PROVISION INTENDED TO AVOID DISPUTES AND
DOES NOT AFFECT DURATION OF GENERAL OBLIGATION OF STATE TO
NOTIFY AGENCY OR RIGHT OF LATTER TO APPLY SAFEGUARDS. BASIC
INTERPRETATION OF ARTICLES TWO AND FOUR WOULD ALWAYS PREVAIL.
TRANSFER OF BOTH HARDWARE AND SOFTWARE (TECHNOLOGICAL INFO)
IS SUBJECT TO SAME NOTIFICATION PROCEDURE. TRANSFERRING STATE
OBLIGED GIVE NOTIFICATION RE ANY ITEM LEAVING ITS TERRI-
TORY. RECIPIENT STATE OBLIGED NOTIFY AGENCY OF USE IN ITS
JURISDICTION OF TRANSFERRED TECHNOLOGICAL INFORMATION,
WITH SPECIAL PROVISION PLACING "DUTY" ON SUPPLYING STATE TO
CONFIDENTIAL

CONFIDENTIAL

PAGE 04 IAEA V 01878 03 OF 04 101308Z

REQUEST CONSULTATIONS WHENEVER IT HAD REASON TO BELIEVE
RECIPIENT HAD MADE USE OF SUCH INFO. AS INDICATION OF BRAZIL'S
FLEXIBILITY, AGREEMENT PROVIDES FOR ACCEPTANCE OF
ANY ADDITIONAL PROCEDURES BOARD MIGHT FIND NECESSARY RE
SAFEGUARDS FOR URANIUM ENRICHMENT PLANTS. RE SCOPE OF BASIC
UNDERTAKING IN ARTICLE FOUR, TRILATERAL WAS CONSISTENT WITH
INFCIRC/66 AND SUBSEQUENT DEVELOPMENTS IN APPLICATION OF
SAFEGUARDS. OBJECTIVE OF SAFEGUARDS WAS NUCLEAR MATERIAL
AND AGENCY'S RIGHT OF INSPECTION AND ACCESS TO ALL FACILITIES
AND EQUIPMENT IN ORDER TO DISCHARGE ITS RESPONSIBILITIES OF
SAFEGUARDING NUCLEAR MATERIAL WERE FULLY ASSURED, AS RECOGNIZED

CONFIDENTIAL

NNN

CONFIDENTIAL

PAGE 01 IAEA V 01878 04 OF 04 101323Z

42

ACTION ACDA-10

INFO OCT-01 AF-06 ARA-06 EA-07 EUR-12 NEA-10 IO-11 ISO-00

CIAE-00 INR-07 L-03 NSAE-00 NSC-05 EB-07 NRC-05

OES-03 FEAE-00 DODE-00 PM-04 H-02 PA-01 PRS-01 SP-02

SS-15 USIA-06 OIC-02 /126 W

----- 070834

R 100914Z MAR 76

FM USMISSION IAEA VIENNA

TO SECSTATE WASHDC 7212

INFO AMEMBASSY BONN

AMEMBASSY BRASILIA

USMISSION EC BRUSSELS

AMEMBASSY LONDON

AMEMBASSY MOSCOW

AMEMBASSY OTTAWA

AMEMBASSY PARIS

AMEMBASSY TOKYO

USERDA GERMANTOWN

C O N F I D E N T I A L SECTION 4 OF 4 IAEA VIENNA 1878

INTER ALIA IN ARTICLES FOUR AND 15.2. FINALLY, SINCE
TRILATERAL REFLECTS PARTICULAR FEATURE OF FRG-BRAZIL
BILATERAL AND CIRCUMSTANCES UNDER WHICH LATTER HAD

BEEN NEGOTIATED, TRILATERAL COULD NOT RPT NOT BE
REGARDED AS A STANDARD AGREEMENT.

3. FRG (LOOSCH) THEN MADE STATEMENT REPEATING MOST
OF POINTS MADE BY DE CARVALHO STRESSING IN
PARTICULAR RECIPROCAL NATURE OF UNDERTAKINGS AND
"PRINCIPLE" THAT EACH COUNTRY SHOULD BE RESPONSIBLE
FOR NOTIFYING AGENCY RE WHAT OCCURRED IN ITS OWN
TERRITORY. HE EMPHASIZED THAT AGREEMENT CONCERNED
ONLY APPLICATION OF SAFEGUARDS AND NOT COMMERCIAL
ASPECTS OF TRANSFERS. PROVISION IN ARTICLE 19 RE
PHYSICAL PROTECTION WAS NOVEL, THOUGH DETAILED
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 IAEA V 01878 04 OF 04 101323Z

ARRANGEMENTS WERE SET OUT IN BILATERAL. DESPITE
NEW ELEMENTS IN TRILATERAL, IT WAS STILL IMPERFECT;
WHILE MARKING GREAT STEP FORWARD, IT MIGHT NOT BE
FINAL WORD IN HISTORY OF AGENCY SAFEGUARDS.

4. BANGLADESH (AT GREAT LENGTH) HOPED BRAZIL
WOULD BECOME NPT PARTY, HAD DOUBTS ABOUT LEGALITY
OF PROVISIONS RE TRANSFER OF TECHNOLOGY, BUT
SUPPORTED APPROVAL. EACH OF GOVERNORS FROM ARGENTINA,
CHILE, TURKEY, URUGUAY, COLOMBIA, SOUTH AFRICA, ITALY,
INDIA, IRAQ, SPAIN, ZAIRE, VENEZUELA, INDONESIA,
LIBYA, JAPAN, FRANCE AND AUSTRALIA SPOKE DURING COURSE
OF DISCUSSIONS IN SUPPORT OF APPROVAL (IN REMARKABLE
DISPLAY OF RESULTS, WE ASSUME, OF BRAZILIAN
SOLICITATION IN CAPITALS).

5. UK (HERZIG) WAS PREPARED SUPPORT APPROVAL, BUT
IT WAS CLEAR THAT CONCEPT OF SAFEGUARDS AGREEMENT
WAS TAKING NEW DIRECTION RE TRANSFER OF
TECHNOLOGICAL INFO, PREPARING WAY FOR
PROGRESSIVE EVOLUTION OF SAFEGUARDS.

6. NETHERLANDS (BOT) BELIEVED PROVISIONS OF
AGREEMENT WERE SATISFACTORY.

7. U.S. (TAPE) ASSOCIATED WITH PREVIOUS SPEAKERS
IN SUPPORTING APPROVAL, WELCOMED POSITIVE ASPECTS,
BUT REMINDED THAT APPROVAL DID NOT NECESSARILY
IMPLY USG APPROVAL OF EACH OF TRANSFERS TO WHICH
AGREEMENT RELATED.

8. USSR (MOROKHOV) SAID AGREEMENT HAD GIVEN
RISE TO NUMBER OF DIFFICULTIES BUT EXPLANATIONS BY
FRG AND BRAZIL HAD ELIMINATED THEM. USSR NEVERTHE-
LESS OPPOSED PROVISION EXTENDING APPLICATION OF
AGREEMENT TO WEST BERLIN. ACCORDING TO QUADRIPARTITE

AGREEMENT OF SEPTEMBER 3, 1971, FRG COULD NOT
EXTEND AGREEMENT INVOLVING SECURITY MATTERS TO
BERLIN. USSR HAD ALREADY ADDRESSED COMMUNICATIONO
TO THREE POWERS COMPETENT RE SECURITY AND STATUS OF
WEST BERLIN. RE OTHER PROVISIONS OF TRILATERAL,
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 IAEA V 01878 04 OF 04 101323Z

WHILE FRG AND BRAZIL EXPLANATIONS AND STATEMENTS HAD
DISPELLED USSR OBJECTIONS, AGREEMENT WAS NOT RPT NOT
ENTIRELY FAULTLESS AND SHOULD NOT RPT NOT BE TAKEN
AS MODEL.

9. GDR (SITZLACK) ENDORSED OBJECTIONS EXPRESSED BY
USSR.

10. CANADA (BEESLEY) THANKED DIRECTOR GENERAL, FRG AND BRAZIL FOR
EXPLANATIONS, WHICH ENABLED HIS
GOVERNMENT TO WITHDRAW ITS RESERVATIONS AND SUPPORT
AGREEMENT, WHICH CONTAINED NUMEROUS POSITIVE
FEATURES IN SPITE OF ITS IMPERFECTIONS.

11. U.S. (TAPE), REFERRING TO ARTICLE 26 OF
AGREEMENT, MADE STATEMENT ON BEHALF OF FRANCE,
UK AND U.S. PER BONN 2744. COMMENT: AT ITS
REQUEST, MISSION PROVIDED USSR MISSION WITH COPY
OF U.S. STATEMENT; SOVIETS SUBSEQUENTLY TOLD
MISOFF THEY WERE "PLEASED" WITH IT. END COMMENT.

12. AFTER BRIEF STATEMENT BY FINAL SPEAKER
(FURLONGER, AUSTRALIA) IN SUPPORT OF AGREEMENT,
CHAIRMAN IRAOLAGOITIA (ARGENTINA) DECLARED THAT CON-
SENSUS OF BOARD WAS THE DIRECTOR GENERAL BE AUTHORIZED
TO CONCLUDE AND IMPLEMENT AGREEMENT. STONE

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: NUCLEAR AGREEMENTS, AGREEMENT DRAFT, MEETINGS, NUCLEAR SAFEGUARDS
Control Number: n/a
Copy: SINGLE
Draft Date: 10 MAR 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: ShawDG
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976IAEAV01878
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D760090-0983
From: IAEA VIENNA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760377/aaaacpiv.tel
Line Count: 638
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION ACDA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 12
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 76 IAEA VIENNA 1483, 76 IAEA VIENNA 1372
Review Action: RELEASED, APPROVED
Review Authority: ShawDG
Review Comment: n/a
Review Content Flags:
Review Date: 23 OCT 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <23 OCT 2003 by GarlanWA>; APPROVED <04 AUG 2004 by ShawDG>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: FRG/BRAZIL/IAEA SAFEGUARDS AGREEMENT
TAGS: TECH, PARM, GE, BR, IAEA
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006